

**ARIZONA STATE PARKS BOARD MEETING
CARNEGIE HALL, 1101 W. WASHINGTON STREET
PHOENIX, AZ
APRIL 3, 2009
MINUTES**

Board Members Present:

Reese Woodling, Chairman
Tracey Westerhausen, Vice Chairwoman
William Scalzo
Arlan Colton
Larry Landry (arrived at 10:46 a.m.)
William Cordasco
Mark Winkleman

Staff Members Present:

Kenneth E. Travous, Executive Director
Jay Ziemann, Assistant Director, Partnerships and External Affairs
Jay Ream, Assistant Director, Parks
Brad McNeill, Acting Assistant Director, Administrative Services
Cristie Statler, Assistant Director, Outreach
Debi Busser, Executive Secretary
Doris Pulsifer, Chief of Grants
Jeanette Hall, Chief of Human Resources
Ellen Bilbrey, PIO

Attorney General's Office:

Laurie Hachtel, Assistant Attorney General

A. CALL TO ORDER - ROLL CALL – 10:00 A.M.

Chairman Woodling called the meeting to Order. Roll Call indicated that a quorum was present.

B. EXECUTIVE SESSION – Upon a public majority vote, the Board may hold an Executive Session, which is not open to the public for the following purposes:

- 1. To discuss or consult with its legal counsel for legal advice on matters listed on this agenda pursuant to A.R.S. §38-431.03.A.3.**
 - a. Legal ramifications of suspending grant contracts**
 - b. Legal ramifications of closing parks, reducing hours/days of operation, deed restrictions, covenants**
 - c. Legal ramifications of Retirement Incentives.**
- 2. To discuss or consider employment, assignment, appointment, promotion, demotion, dismissal, salary, discipline or resignation of a public officer, appointee or employee of any public body pursuant to A.R.S. §38-431.03.A.1.**
 - a. Hiring an Executive Director**
 - b. Discussion of candidates for Executive Director**

c. Development of questions for interviews for Executive Director

d. Schedules for interviews for Executive Director

Mr. Scalzo made a motion to go into Executive Session. Ms. Westerhausen seconded the motion. The motion carried unanimously and the Board went into Executive Session at 10:01 a.m.

Before reconvening the meeting, Chairman Scalzo stated he wanted to make some comments to the public assembled in the audience.

Chairman Woodling introduced himself to the audience. He is the Chairman of the Arizona State Parks Board for this year. To date, it has not been an enviable job through all of these budget cuts. He recently had open heart surgery and missed the March Board meeting. His illness was not caused by the agency's situation.

Chairman Woodling stated that the Board have received a lot of letters from constituents – mainly people who live near a park or are involved in the grants process. He spoke with the Executive Director about how to answer these letters. He really wanted to answer all of these letters personally. There was discussion about putting out a general letter to everyone who's written. It would probably take staff several years to answer all of those letters, phone calls, and e-mails. Just last night he received a bunch of letters compiled from the website that he went through. He believes there were 25 pages of letters. There were a lot of letters from school children from the Sedona area. They are very concerned about Red Rock State Park. We can go on and on about Homolovi and Oracle and Tonto. All of these issues are serious issues.

Chairman Woodling stated that he wants everyone to be aware that this Board is doing everything possible to try to keep parks open; we're doing everything possible to provide grant money where it is appropriate due to the percentage of completion. The Board has had several Executive Sessions and these items will be raised in Open Session. The Board is also looking for a new Executive Director. Mr. Travous is retiring as of the end of June 2009, although he will leave earlier to enjoy some fishing.

Chairman Woodling stated that what he's saying here is that this Board is all volunteer. They are all dedicated to Arizona State Parks or they wouldn't be here. He wants to be sure that all of you who have written, called, sent e-mails, or seen some of the Board members personally understand that the Board cares about all of the parks. He stated that we all need to realize that Arizona State Parks is a complete system – it's not just one park – it's 30+ parks. He would like to see not only letters coming in to the Board about your particular interest, but also letters sent to the legislature that you're concerned about the whole park system. It is not healthy when the Board has to begin making decisions about which park to close or suspending grants and canceling grants. It affects the whole park system.

Chairman Woodling stated that this is his answer to your letters, to your phone calls, and your concerns. Let's please understand that if the agency has more cuts in 2010 we could be in real trouble as far as the entire park system is concerned. Money has already been swept starting in 2002. We are way behind in using our Capital money in much-needed repairs on our historic buildings. The Board feels terrible about the grant situation. But – the Board has nowhere to go. We have to address these issues the best we can.

Chairman Woodling stated that the Executive Staff and this Board are very concerned about the individual parks and the entire park system. That's our charge as Parks Board members – we took an oath when we joined this Board and we will stay with it and will work the best we can.

Chairman Woodling reconvened the meeting at 11:43 a.m.

**C. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF – Time
Certain – 11:30 A.M.**

Chairman Reese Woodling introduced himself. He is the Parks Board Chairman for 2009. He represents the Ranching Industry and lives in Tucson.

Mr. Larry Landry introduced himself. He is an at-large member of the Parks Board. He has been involved in state parks for more than 30 years as an advocate and as a worker. He commended the Chairman and Vice Chairman. There have been numerous phone calls and letters. He has been spending a lot of time in the state budget process trying to advocate for Arizona State Parks (ASP). All he can say to the public is, "Talk to your legislators," because he is telling them that policy is not what one says but what one does. Show us the money. Many of our problems and many of our challenges are the result of brutal budget cuts. The Board is not your enemy – we are trying to make the best of a bad situation. He noted that the political process is choices among scarce resources. He has been visiting with leadership of both sides and he has been to the Governor's Office. Nobody wants to close the state parks. He is saying that money talks. The most effective advocate is the knowledgeable person from someone's district. He asked the public to please keep talking to them. Those who have come forward with money for Red Rock or Oracle – or whichever park – help us so much symbolically as much as by substance that the Board can say that people are also contributing. It helps the Board in its political arguments. He thanked the public for all they've done; but this is a marathon - not a sprint. The Board needs all the help the public can give.

Mr. Arlan Colton introduced himself. He is also an at-large member from Tucson. He is the Planning Director for Pima County and echoed what the Chairman and Mr. Landry have stated.

Ms. Tracey Westerhausen introduced herself. She is also an at-large member of the Board. In her "other life" she is a criminal defense attorney in Phoenix. She thanked everyone for their interest in ASP and for their understanding in this difficult time.

Mr. William Scalzo introduced himself. He is the Recreational Professional on the Board. He has sat on the other side as a Parks and Recreational Director and can empathize with the Executive Director's and ASP's situation. There are municipalities throughout the state that are all hurting. We are trying to survive and protect our natural resources for as long as we can. The Board needs the public's support. The Board is here primarily to make sure that we continue to do the right thing to preserve the natural resources of this state. The public are partners with the Board and the Board really needs all the support it can get.

Mr. William Cordasco introduced himself. He is from Flagstaff and works for Babbitt Ranches.

Mr. Mark Winkleman introduced himself. He is the State Land Commissioner. He spends most of his time down-the-street battling budget cuts for the Land Department.

ASP staff introduced themselves.

Mr. Winkleman read the Board Statement.

1. **Board Statement** - "As Board members we are gathered to be the stewards and the voice of Arizona State Parks' Mission Statement: Managing and Conserving Arizona's Natural, Cultural, and Recreational Resources, Both In Our Parks and Through Our Partners for the Benefit of the People."

D. CONSENT AGENDA – The following items of a non-controversial nature have been grouped together for a single vote without Board discussion. The Consent Agenda is a timesaving device and Board members received documentation regarding these items prior to the open meeting. Any Board member may remove any item from the Consent Agenda for discussion and a separate vote at this meeting, as deemed necessary. The public may view the documentation relating to the Consent Agenda at the Board's office: 1300 W. Washington, Suite 104, Phoenix, Arizona.

1. **Approve Minutes of February 20, 2009, Arizona State Parks Board meeting**
2. **Approve Executive Session Minutes of February 20, 2009, Arizona State Parks Board meeting**
3. **Approve State Historic Preservation Office (SHPO) Plan.**
4. **Approve awarding \$403,937 and other unexpended Federal Transportation Efficiency Act (TEA-21) Recreational Trails Program (RTP) project funds upon availability to the BLM-Arizona State Office** - Staff recommends awarding \$403,937 and other unexpended TEA-21 RTP project funds upon availability to the BLM-Arizona State Office. This recommendation is contingent upon all projects completing the Section 106 requirements and obtaining National Environment Policy Act (NEPA) concurrence from the Federal Highway Administration.

Chairman Woodling noted that he has been informed that, regarding D.4., the BLM is not ready for this approval today.

Mr. Landry made a Motion to approve the Consent Agenda with the exception of Item D.4. Mr. Colton seconded the Motion and the Motion carried unanimously.

E. DISCUSSION ITEMS

1. **Update on Tonto, McFarland, Oracle, and Jerome State Parks.**

Mr. Ream reported on the three parks that the Parks Board closed last month and where things stand in the bidding process. All three parks were closed for structural repairs. McFarland bid yesterday. The bid came in at \$340,000 - \$70,000 under staff's projection. These economic times may have been of benefit to our bidding process. The \$70,000 will be returned to the fund or it can be used to make additional repairs beyond the current scope.

Mr. Ream reported that Tonto Natural Bridge bids next week. Construction is set to begin May 25 and end in September 2009.

Mr. Ream reported that Jerome will be a design/build project. Staff will try to hire a consultant and builder combination. Staff do not know the nature of all the problems at Jerome. Once the roof is pulled off, staff do not know if it exposes a large area of damage or a small area of damage. It is expected to bid at \$700,000.

Mr. Ream reported that on April 6, 2009, construction will begin on a new water treatment plan at Lost Dutchman State Park. ASP is under Consent Order with the AZ Dept. of Environmental Quality (ADEQ) to upgrade all of its water and wastewater systems throughout the state. This total (agency-wide) project will be a \$6M project before it's completed. Lost Dutchman also came in well under the projected bid. The agency is saving by building under these economic times.

Mr. Ream reported that Buckskin State Park will bid April 15th. This project is the result of a decaying lift station. The lift station is where sewage runs before it goes into a wastewater system. The lift station there has decayed to the point where alternative pumps are being used, and alternative ways are being used to bring the waste to the wastewater treatment plant. This park is at full capacity right now during the busy season along the Colorado River. That project bids April 15th and is a \$100,000 project. That lift station will be built adjacent to and while the current one is operating. When the new lift station is completed, a valve will be turned to put this new lift station into use.

Mr. Landry noted that he and Mr. Ream has discussed Buckskin. As hard as it was to close the other three parks for public safety, he asked the Board is not closing Buckskin. In essence, with the raw sewage issues, why isn't the Board closing Buckskin right now. What is a five-year-old child gets in that stuff? His concern is that, for the same reason as the other parks, why is Buckskin staying open?

Mr. Ream responded that the biggest danger at Buckskin State Park is for staff there to be asleep at the wheel, the lift station builds up beyond the capacity for the pumps to carry the load to the wastewater treatment plant. Should that result, sewage would probably flow into the Colorado River. However, this is a plant we have been limping along with for about a year awaiting funding. He held this funding in January because we didn't know what the results of this budget would be. This budget was funded under the State Lake Improvement Fund (SLIF) and that was the hardest-hit fund during the budget sweeps. The Board decided to reduce the Heritage Fund to fund these important projects. Staff were able to shift the funding to the Heritage Fund and then bid this project out and complete it.

Mr. Ream agreed it is a public safety issue because sewage could flow into the Colorado River; but, again, staff would really have to be asleep at the wheel for that to happen. He is assured by the people at the park and the Development Section that we have that under control.

Mr. Landry asked if Mr. Ream believes there is any public safety issue by continuing to limp until we get the new lift station built – or minimal public risk.

Mr. Ream responded that there is minimal public risk – risk that staff at the park have been able to control. There is risk even with a new lift station. A pump goes out in the middle of the night or an alarm does not go off. It can happen anywhere. It's like a toilet backing up when you're not home – only a hundred times worse.

Mr. Landry noted that at the March Board meeting the Board received testimony from a lieutenant from Mohave Co. that unless there was significant law enforcement funds that the Board should not, in essence, be putting more boats on Lake Havasu. He understands that the Board has the law enforcement funding now through June 30th or are funding through June 30th and that it's really a 2010 budget issue.

Mr. Ream responded that, traditionally, the Law Enforcement Boating Safety Funds (LEBSF) are released in July. The Board has released Fiscal Year 2009 funds already; they have already been funded. In July the Board will determine whether or not it will release \$1.5M of LEBSF or \$1M of LEBSF funds. The Board has the opportunity to embargo \$500,000 and release it at a later date. The decision is up to the Board.

Mr. Landry noted that the Board does not know its FY 2010 budget yet.

Mr. Ream added that the Board wanted a discussion relating to Oracle as well. Oracle is open and serving school students. The last scheduled tours for school students is mid-April. Staff may wind down operation there rather than closing by having a skeleton crew at Oracle State Park and send the other park staff to other parks around the region.

Chairman Woodling noted that there have been quite a few letters, e-mails, and phone calls regarding Tonto Natural Bridge State Park. He asked Mr. Ream to explain why the entire park has to be closed down.

Mr. Ream responded that he was not going to go into the safety issues again. When the Executive Director and Executive Staff met on park closures they were talking about eight parks. The number was initially five. He told Executive Staff that there were others that really made sense. Those others were Jerome (because of construction that needed to be done there) and Tonto (because of construction). He offered them up saying that there was an opportunity because of the way funding was coming in and the way the agency is funded to do these important projects. He told them that Jerome and Tonto Lodge will fail if they are not attended to immediately. That was his admonishment to Executive Staff.

Mr. Ream noted that the agency is 26% down in staffing throughout. We cannot continue to operate all 30 parks at 100% until action is taken either to reduce hours, reduce days of operation, or close some parks where we can use some staff. We used the opportunity of these construction projects to close these two parks in order to move staff to other parks. He can say that the staff are not any happier than the people in this room are. The Tonto staff are currently working at Dead Horse Ranch State Park where they have a very large Spring Break visitation. They will alternately move to Slide Rock State Park where the park will host 250,000 people in the next four months. One person has already gone to Lost Dutchman State Park. When the sewage plant at Lost Dutchman goes down for construction, that person will go to either Lyman Lake or Fool's Hollow. We are taking the staff we have at these closed parks to keep other parks open and operating at 100%. If the Tonto staff were brought back to Tonto, the system could not operate at 100%. We would have to reduce our capacity; reduce facilities management; or reduce customer service hours in order to accommodate visitors. It would be cutting off our money supply, particularly at a place like Slide Rock where visitation is high and where people go to have fun.

Mr. Landry noted that he, Mr. Travous, and Mr. Ziemann have had quite a bit of exchange on this issue. He never knew how many elected officials and Chambers of Commerce and business executives he knew in the greater Payson, Heber, Show Low areas in his life. He noted that Mr. Ream's explanation is different from what has been explained to him and gives him cause for pause. He's been told that because of the physical configuration of the park and how everything kind of narrows toward the building being repaired, we could not really compromise safety by parking cars at the entrance of the park and shuttle them down to the hiking area. He was told that that could compromise both construction and safety. Now Mr. Ream is saying something different. He says staff want to defer having people there to make more money at Slide Rock. He contended that that's a Board decision. If that is the Board's choice, he wants to keep part of Tonto open. He doesn't care how much money the Board makes at Slide Rock. He asked what is it – is it the safety issue or is it an operation issue.

Mr. Travous responded that staff will go back to the Minutes. He doesn't think Mr. Ream's explanation was different. He thinks it was incomplete. It is a safety issue. We can't take people around the heart of construction. The Town of Payson have suggested providing volunteers to keep the park open. We only have one person there to oversee this construction. We are one heart attack at the bottom of the bridge or one broken leg away from putting ourselves in great jeopardy. We need to close the park. We are taking advantage of that by using those people in other places.

Mr. Ream added that he did qualify his remarks by saying these were the comments he gave to Executive Staff. The actual safety and construction issues are visible.

Mr. Landry responded that he's been to the park and has spent considerable time there. He thanked Mr. Travous for his remarks. They were very consistent with the discussions they've had. He just heard something different, but will accept that it was incomplete.

Mr. Landry noted that he's been to Oracle State Park since the last Board meeting. It's a great park, as are all of our parks. He asked if the Friends, who offered the Board \$4,000 a month at the last Board meeting come through with that money.

Mr. Ream responded that the short answer is no. Staff have not requested the transfer of that money from them. The Executive Director sent an e-mail to all staff stating that the budget reduction action the Parks Board made last month was sufficient to get us through 2009. Mr. Ream did not feel the need to request money from the Friends of Oracle. He assumes they will not spend it on something else because we are coming in to 2010. He certainly would ask them to hold on to that money for that reason. The most important thing for Oracle is that it is a center for environmental education and that it is important to accommodate the school groups who visit the park regularly. There are options at Oracle, but right now it is open and open to the public.

Mr. Landry asked if staff are planning to close Oracle at any time soon.

Mr. Ream responded that staff plan to keep Oracle open. Once the school groups are finished coming to the park, there won't be a need for a lot of tour guides. They spend most of the summer months clearing brush away that could cause fires and decimate the park.

Mr. Landry responded that the Board has been offered \$4,000 per month through the end of FY 2009 and that we should take it to help the park, even if it's for clearing brush away. There was a lot of discussion in March about what the Board could do to get more people paying fees or donations to the park which he understands that staff are working on with the Friends. He believes our fees are too high, since we are second highest in the nation. He believes that where we can get help we should accept it. It sends a very powerful message to the legislature about how deeply people care about these parks. He knows that Red Rock has done an incredible job of communicating that message and stepping up to the plate on a significant level. He suggested that money is money. If there's a way to facilitate accepting that money and using it at Oracle, we should seriously consider it.

Mr. Ream responded that if the Friends of Oracle would like to make a donation to ASP there is a process for that.

Ms. Westerhausen noted that it sounded there like we are encouraging the Friends of Oracle to hand money over to ASP. She believes that there was a discussion in March that the agency could not segregate funds that came to it for one specific park. There is also a danger of funds that come in like that being swept. It appears to her that the right mechanism is for the Friends of Oracle to have their own bank account and for the Board to coordinate with them how that money in their bank account is spent.

Mr. Ream responded that he wouldn't put any of his money anywhere near a state coffer right now because he doesn't know if it would be there when he got back.

Mr. Colton stated that he believes that is exactly the point he made at the last meeting. The funds are appreciated and the commitment is appreciated. Whether it's through the Parks Foundation or through keeping something separate – that's the only way to do it.

Chairman Woodling requested everyone to please turn their cell phones to "vibrate" so as not to interrupt this meeting.

Mr. Colton noted that very gracious offers from people to volunteer have been received for Oracle and other parks. The Board really appreciates those offers. However, there are some liability issues associated with it. He asked staff to address that issue.

Mr. Ream responded that we cannot run the parks without volunteers. We have a very large and robust volunteer program. That said, we could run all the parks with volunteers. That's certainly a possibility. However, that is not the way we do business. We run parks with professionals – we need professional operators. We maintain the wastewater treatment plants; we perform law enforcement; we collect the revenue. It is our duty as state employees and members of the ASP Board to keep the parks open and running. We are at about the lowest level of staffing as we can possibly be, even when we're 100% staffed. We are now 26% down. We need volunteers more than ever. However, performing those tasks he mentioned before – even using a drinking fountain – are the agency's responsibility and should not be relegated to volunteers. He believes park staff do them very well. The idea of volunteers is to add value to what staff already performs at the parks. They lead tours through the parks; they provide customer service; and they provide reports. Some volunteers are used extensively in

providing scientific research if they have the skills. Volunteers do not fit in best in keeping parks open.

Mr. Landry noted that part and parcel in how the Board manages parks is the decision the Board temporarily made on suspending Heritage Fund grants at the last meeting. He asked where, on the Agenda, Board members have the ability to readdress that issue.

Chairman Woodling responded that that issue can be discussed under E.5.

2. Governor's Task Force on the Sustainability of Arizona State Parks.

Mr. Ziemann reported that the Governor's Task Force on the Sustainability of Arizona State Parks will meet for the first time next Wednesday afternoon, April 8th. Mr. Richard Dozier is the Chairman. Members Parks Board that will serve include Board members Mr. Cordasco and Mr. Scalzo. The Task Force has 16 members now but may have up to 21. They have until October 31, 2009 to complete their work and make recommendations to the Governor. The meeting will begin at 1:00 p.m. on April 8, 2009 in the ASU Downtown Campus at 411 N. Central Avenue.

Mr. Landry stated he had the dubious distinction of being in the Governor's Office during the previous task force 25 years ago. He spent some time with Mr. Dozier, as has Mr. Ziemann. At first they only named 11 members to this Task Force. He commended Mr. Ziemann for his activity with Mr. Dozier to get them all named before they start their work. He also commended Mr. Ziemann for continuing to work with the Task Force.

3. Update on the Hiring of the Executive Director.

a. Executive Director's Hiring Subcommittee Report.

Chairman Woodling introduced Mr. William Scalzo, Chairman, Executive Director's Hiring Subcommittee and asked Mr. Scalzo for his report on the search for a new Executive Director.

Mr. Scalzo reported that the subcommittee has reviewed a number of candidates for this position. Several hundred candidates applied for the position of Executive Director of ASP. The position was advertised nationally. Candidates were placed on Tiers, based on experience, abilities, etc. From that list, the subcommittee (Mr. Cordasco, Mr. Landry, and he) shortened the list to a number of candidates to be interviewed beginning next week and followed-up the following week. Based on information acquired from them in writing and orally, the subcommittee will return to this full Parks Board with a list of individuals recommended for an interview with the entire Board.

Mr. Scalzo stated that they hope the process of interviews and selection will be completed within the next 30-45 days. He noted that the subcommittee has taken a considerable amount of time with tremendous assistance from Ms. Jeanette Hall (Chief of Human Resources, ASP), and Susan Laurance from the AZ Dept. of Administration (ADOA). The subcommittee tried to ensure this process was as open and thorough as possible. He believes they achieved that goal. In looking at the candidate list we have, there are some outstanding people from across America and in Arizona who he believes

could step into this job with the ability to manage the agency through a very difficult time. He believes that timelines will be discussed later in the meeting.

Chairman Woodling added that Mr. Travous announced his plans to retire late last year. The Board had a chance to with ADOA or a private headhunter firm. The Board decided that the cost to go outside was prohibitive and decided to go with ADOA in the job search. He wanted the audience to know that the Board is conducting this search fairly inexpensively.

Mr. Landry stated he wanted to commend not only ADOA, but the Attorney General's Office and ASP's own Human Resources Dept. for the quality of the staff work and the assistance the subcommittee received on this.

4. Legislative Update, including HB 2088.

Mr. Ziemann reported that the legislature has termed this session, "The Session of Transparency". During the past six weeks or so, they have been conducting budget sessions behind closed doors. The uncertainty and the reasons for uncertainty of the 2010 budget has been discussed a great deal. Staff is not sure what that budget is going to be.

Mr. Ziemann noted that very few bills are moving. They tend to come up with an emergency issue and rush one bill through the entire system every week. The Senate has not even assigned bills yet. The House has moved very few bills.

Mr. Ziemann reported that HB 2088 would use money from the Land Conservation Fund to backfill some of the cuts that were made to our budget in 2009. He has been told that HB 2088 is still "parked" as of yesterday. It is not moving at this point in time. Essentially the Democrats' caucus has refused to support 2088. It's not that they don't want to support ASP's budget, but they have concerns about using voter protected funds. He believes that the Republicans in the House are still vowing to bring the bill to a vote. Because it uses voter protected funds, it requires a $\frac{3}{4}$ majority vote.

Ms. Westerhausen asked if the Democrats are concerned about the slippery slope that we all agree that using those funds for parks is a great idea this time but next time it may not be something that has such widespread support that the legislature might be going after again.

Mr. Ziemann responded that that is certainly one of their concerns.

Mr. Colton noted that it was his understanding that the fund would be continued to make up for the difference.

Mr. Ziemann responded the bill, as it's written now, has a provision to use the money now and adding a year at the end of the appropriation. There's been discussions with the bill's sponsor to actually add two years to the fund. That's clearly the way the Republican caucus would go.

Chairman Woodling asked if the bill is worded that only the interest that is accrued can be used and not the principle.

Mr. Ziemann responded that the way the bill is structured is that it would take \$20M from the corpus – not the interest – and use it to backfill ASP and other natural resources agencies' budget cuts. It would add two more years of funding on the end.

Chairman Woodling asked if this would be a loan to ASP.

Mr. Ziemann responded affirmatively. The Board would not have to repay it; the legislature would.

Mr. Scalzo noted that what's very important about this bill is that it gives the ability to ASP, over a period of time, to not be dependent on using other resources that we are now dependent on using. It has a major impact, not just on ASP, for all kinds of programs the Board administers. It is not limited to impacting just state parks but it fills gaps the Board desperately needs. The public should realize that HB 2088 is a very significant opportunity for a one-time approach to protecting not just state parks but in the communities themselves. People need to take a serious look at that. There are municipalities that are out to buy State Land through the fund who have millions of dollars to put up. The Land Conservation Fund is a matching fund.

Mr. Landry noted that he invited Mr. Ziemann to meet with him and the House Minority Leadership. The concern they have is that Republican leadership has threatened to attack other voter protected funds. They do not want to set a precedent although they know there's \$94M in the fund among other things. Their position was very clear that if there weren't the threat of other voter protected funds and this would not set a precedent, they would have no problem in supporting ASP on this "loan". Their public policy concern is they don't want to create a situation where people who want to go after other voter protected funds say, "You said yes on this one. Once you say yes to one you say yes to all of them." He noted again that Mr. Ziemann was in that meeting with him that he requested and they were very clear. He met with two of the leadership again last night. Their position hasn't changed, although there are discussions that if they get assurances on voter protection they won't.

Mr. Landry added that it was just announced today that the Governor will have a special session on the budget on April 9th at the Convening the Community Summit which will be held at the Tempe Center for the Arts. Anyone who cares about this or any ASP item should feel free to go and speak. The public assembled here has an opportunity to address this issue as well as other issues.

Chairman Woodling asked whether or not the Board can address a political issue or endorse a particular bill.

Ms. Hachtel responded that the Board members could speak to this bill under this Agenda Item.

Mr. Cordasco stated that the Board has just heard the report regarding that bill and what it could mean to ASP. If there's an issue regarding setting a precedent for a voter protected fund, the Board should appreciate what we're doing to try to resolve and assist with our budget and future needs for ASP.

Mr. Landry stated that this isn't the bill as written. In the discussions with House Majority Mr. Nichols and the discussions with House Minority acceptable public policy might be a two-year extension of the act from 2011 to 2013. There is certainly some doubt as to whether or not all of the money will be spent by 2011 because cities have to apply, there's a match required, etc. The Board has approximately \$94M in that account. We would get \$20M off the top because of the voter protection act. The legislature cannot sweep that money without a $\frac{3}{4}$ majority vote or a new vote of the

people. It would be made very clear that, if the money comes off the top, the money goes back into the fund so that the fund is held harmless and that the \$20M be dedicated to natural resources issues. One of the objections that the Democrats had with the original bill was a little over \$1.5M to the water banking authority. They don't believe that is natural resources. Mr. Winkleman convinced him that that \$1.5M should go to the State Land Dept. to offset the cuts, but he believes that the Democratic legislators objected specifically. The sponsors of the bill accepted putting the \$1.5M away from water banking. The issue from this Board is that it means a lot of money to us and would solve, at least for a year-and-a-half some of our crises. If the Land Conservation Act is extended by two years, it is very clear it is not taking the money away – it's just a loan. The $\frac{3}{4}$ vote protection would be there that this \$20M would be there. The precedent would be that it does alter a voter protection issue. It might still be part of a comprehensive budget package that is being discussed very hesitantly and in the beginning stages among some of the parties involved. As far as this Board is concerned, getting more money into natural resources, and if there is no harm to the fund, and it was posted, this Board may want to make a motion to that effect. The Board certainly can do that. He would like to hear from Mr. Winkleman.

Mr. Winkleman stated that he is supportive of anything necessary to provide ASP with the ability to do its job and not close state parks and to fund the State Land Department (ASLD) and allow it to do its job. He needed to correct the use of this fund right now. ASLD has been very active over the past couple of years in using the matching funds to assist cities such as Phoenix to acquire state lands. They have taken advantage of this real estate market to make several applications and have had several successful sales – most recently Tumamoc Hill in Pima County. To say it's not being used is inaccurate; it is being used more than ever before. That being said, he believes that there is virtually no risk that we are going to use up the \$90M before it can be replenished because it is going to be replenished. That fund will be out there and can be used. He noted that he is in a bit of conflict situation because this bill does potentially provide money for the ASLD and will leave it as is. However, he is supportive of both ASP and ASLD getting adequate funding from whatever sources are available. HB 2088 certainly has its challenges and its future looks very questionable. He encourages people doing whatever they can do to deal with this issue.

Mr. Colton noted that, individually, the Board members have all talked about this bill in one format or another. He believes that Mr. Landry's exposition of it is accurate. If it is appropriate and it can be agendaized for vote at the next Board meeting, it appears that everyone on the Board has spoken in favor of HB 2088 in some form or another. He would not object to agendaizing this for a vote at the earliest possible time.

Ms. Hachtel stated that in the Notice to the Public at the beginning of this Agenda it states that the Board may take action on any item agendaized on this Agenda and HB 2088 is listed on the Agenda for discussion. Because it is agendaized within the Agenda for Discussion, she believes that it is within the Board's purview to take action on it. That action can be taken now or agendaize it for a future meeting.

Chairman Woodling wanted to ensure that the Board would not be violating any Open Meeting Laws by taking action on this issue today.

Ms. Hachtel responded that the language at the top of the Agenda gives this Board the discretion to, if it so chooses at this time, take action. It can certainly be agendized for a future meeting.

Chairman Woodling requested any Board member wishing to offer up a motion on this issue wait until the Board gets to Action Items on the Agenda.

Chairman Woodling called for a Recess at 12:45 p.m.

Chairman Woodling reconvened the meeting at 12:55 p.m.

Mr. Ream noted that he needed to make a correction to his earlier statements. During his report he said that McFarland bid at \$340,000. It bid at \$430,000. Staff budgeted at \$500,000 for that project.

Chairman Woodling noted that a representative from the Town of Payson who signed up to speak needed to leave shortly. He invited Mr. Vogel to address the Board relating to Agenda Item E.6.

Mr. Mike Vogel, Town of Payson, addressed the Board. He stated that the Town of Payson had to make budget cuts, too. They have already made a .7% cut to their budgets. A few years a gentleman began sponsoring week-end events in their town. There are 104 starting this weekend. They get a lot of requests to go to the park. He added that they pass Resolutions and take votes. He asked the Board to read what it says and what it doesn't say. Most of their things start Thursday night and go through Monday. There are businesses that rely on the park to draw people in. They are willing to work with the Board, staff, or anyone else to keep the park open four days a week. There is a member of their Chamber of Commerce who can give the Board statistics that will show how closure of Tonto affects their economy. The Town of Payson is more than willing to step up and help the Board anywhere it can.

Mr. Landry noted that, as he heard earlier today, there will be bids coming in next week and will close Tonto until approximately September 25. He noted that every contractor mobilizes and the Councilman's point is well-taken about weekends. If the park is opened for a couple of days over a week-end and it doesn't affect our construction costs and timetable, and if the lodge is properly fenced off, the Board needs to know the real cost of having the park staff there other than one caretaker. That answer probably won't be known until the contractor is hired. If the contractor is flexible on their operations, two days may not be so difficult. He asked what the financial implications would be to staff up Tonto. The Town said they would do fencing and security, if needed, around the construction site. He asked if there is any wiggle room with the contractor. He is not concerned about the gift shop being open.

Mr. Ream responded that he would like to speak with the contractor. The Board action was to close those parks until the end of this fiscal year. No matter what, Tonto is re-opened to the public on July 1. However, as he reported in his report, we often close parks for safety reasons or for construction reasons. Staff do not come to the Board for closure in those cases because it isn't an issue of governance – it's for reasons of management. He believes that this Board needs to work with the Town of Payson. He doesn't know if there is a schedule that can be made with the contractor. Staff can work with the contractor on their needs.

Mr. Landry responded that, unless something changed, even though the Board's motion was only to June 30th, staff will say it has to remain closed for safety reasons until September 25th. The wiggle room he is asking staff to work with the Town on is to not wait until July 1st but to meet with the contractor, see if the contractor can structure a way to accommodate the Town. It would certainly help the state in that the state gets taxes, as does the Town. He understands it would require more than one caretaker. At the same time there is always a trade-off of choices. We're talking about a narrow window and a narrow time period. If that means having a few less staff at Slide Rock – so be it. He asked staff to explore it and work with the Town directly. He noted that the Board will have special meeting on April 24th. He would like a status report prior to then. It seems to him there will be wiggle room. Staff needs to make the safety call.

Mr. Ream responded that he's working on a matrix for the motion he has before the Board that will be discussed under Agenda Item E.6. on park closures and reduction of hours. As part of that, he will talk about the assistance needed at other parks in the agency as a reason for those closures. These reports come to him from his Chief of Operations (Ms. Janet Hawks). He would challenge her to ask about Tonto's times of development. She works with our Chief of Development and our contractors and our staff to see if something like this could be fit in.

Chairman Woodling thanked Mr. Vogel for his comments. He added that two Board members have informed him that they have to leave in less than an hour.

5. Budget update on Fiscal Years 2009 and 2010.

Mr. McNeill gave a PowerPoint presentation on the budget update for fiscal years 2009 and 2010. A copy of that presentation is included in the Board book.

Chairman Woodling asked what the normal Enhancement Fund (money made from park fees) is.

Mr. McNeill responded that it is about \$9.3M in revenue.

Chairman Woodling responded that he thought, under the original legislation, the legislature could not touch the Enhancement Fund.

Mr. Ziemann responded that they "touch" it all the time. There is no protection of those funds.

Chairman Woodling noted that that was the Board's money through park fees. He thought the Board was allowed to keep that money.

Mr. Scalzo noted that that money is from visitors to and users of those parks – citizens of Arizona, who are contributing back to a General Fund that does not support state parks.

Mr. Landry noted that the Board took an action to suspend roughly \$6M from Heritage Fund grants that were between 1%-90% completed. That money is being used to fund parks and whatever else was needed to feed the voracious appetite of the legislature. At the time this was presented to the Board, it was almost like they had no choice. It appears to him now that the Board does have choices as to whether or not to restore some or all of these grant funds even if it's at the expense of operating the parks. The public policy question is is keeping all of the 30 parks open more important, as a Board, than funding some of these very critical and necessary Heritage grants. Every Board

member has received letters, communications, and calls from people who have compelling stories and who have seriously relied on the Board's commitments over multi years. Some of them are so close to 90%.

Mr. Landry stated that he wanted to raise the issue of what are the trade-offs. If we are to close a state park, can the money saved be used to restore X amount of money to the Heritage grants?

Mr. Travous responded that that will be addressed in his presentation.

Mr. McNeill added that that is a public policy question. He pointed out that having the Heritage Fund this low is almost unprecedented. Last July we were at almost \$42M. The year before it was a little more than \$40M. The questions become how to move forward here.

- 6. Fiscal Year 2009 Arizona State Parks Budget Reduction Measures -** Including but not limited to; Park closures, reduction of park hours/ days of operation, personnel actions, furloughs, reduced work schedules, hiring freezes, salary reductions, reductions in force for covered employees, layoffs for uncovered employees, reducing administrative expenses (Phoenix Office), suspension of grants and the legal ramifications, alternative funding including capital funds, Heritage Funds, Law Enforcement Boating Safety Fund, Off Highway Vehicle "sticker revenue".

Mr. Travous reported that he wanted to give the Board a perspective of where we were and where we could be in FY 2010. He directed the Board to page 3 of the Board packet. He reminded the Board that at the last meeting he told them we needed to find \$5M this fiscal year and \$10M next fiscal year. Some Board members did not feel the numbers were making sense, and that's why Mr. McNeill put his presentation together. He plans to show the Board what 2010 could look like.

Mr. Travous noted that staff found the necessary \$5M and did those things that were necessary to save money. Staff are currently managing the agency by moving people around in Phoenix, not filling vacancies, moving people around throughout the park system to keep those parks that are open open. None of that has been easy on any of us. Now we come to the point of what needs to be done next fiscal year. He asked Mr. McNeill and Ms. Snyder to make this page so easy even he could understand it. The funds are divided into two different groups – Fund Group 1 and Fund Group 2. Fund Group 1 is just the Enhancement Fund and Heritage Fund. He blanked out the remaining funds in that group. Fund Group 2 are those things we cannot or should not use to balance the budget next year.

Mr. Travous explained the chart, beginning with Fund Group 2. The Federal Funds are things like the Historic Preservation Fund and the Land Water Conservation Fund. That is one fund the legislature can't sweep. That is one fund, because it bears those Local, Regional, and State Parks federal heritage funds that if we did Land and Water Fund money would be one place where we could start repairing some of these places and spend it. The budget that was passed in Congress a couple of weeks ago included funding for the stateside programs was only \$20M this year but they are looking at bolstering that fund and are looking at \$400M next year and \$900M the next year. That

could be a significant fund to take care of those things over the next two years. The reason for creating the Heritage Fund was because the Land Water Fund was falling apart and we didn't have any funds for those purposes. It now appears that BLM has come to their rescue.

Mr. Landry noted that each of the federal departments has tremendous discretion and billions of dollars under Stimulus I. There will probably be a Stimulus II. He asked if we have a task force – are we playing – is there discretion on what comes to the Governor's Office where ASP could get a piece of that? It would seem that these funds would also fit in that category of Capital issues that would allow us to do other things. He asked how we are pursuing Stimulus funds.

Mr. Travous responded that he is working with his colleagues on the national level. He is restricted on his travel to go back and do those things himself. Representatives of the National Association of State Parks Directors are working with members of Congress to do that very thing.

Mr. Landry noted that he goes back to Washington, DC twice a month. He asked for guidance on how he can assist.

Mr. Travous responded that he will be glad to do that.

Mr. Travous continued by saying that staff are not looking at using the Law Enforcement Boating Safety Fund (LEBSF) for fixing the budget. The Donation Fund and Publications & Souvenir Fund have been lightly tapped by the legislature. Staff are trying to avoid that in FY 2010.

Mr. Travous stated that as of today we have made it through this fiscal year and can make it through this fiscal year without having to close any more parks and without having to lay off any more people as long as the legislature doesn't do anything more to our budget. The second thing he wants to point out is that if they do the same thing in the language that they put in SB 101 this last year, we can make it through the next fiscal year at this cost. The Enhancement Fund will start off with a balance of \$2M and the Arizona Heritage Fund will start off with a balance of \$18M. Revenue through 2010 will be about \$9.2M through the Enhancement Fund and the AZ Heritage Fund it will be about \$10.35M. The available funds will be about \$11M and \$28M next year, for a total funding of \$39M. In looking at our fixed expenses for the first quarter, we are taking out almost \$2.5M. That's where we get hit every year. In talking about cash flow, that's what we really have to pay attention to. Operating expenses are smaller now because we've cut back on our budget. It is \$19M. The net effect of that is without touching any other fund, if the legislature would just leave our Enhancement Fund alone and include the language for the Heritage Fund, we can make it through this next fiscal year. The net result of that is a \$3M loss between the beginning of FY09 and FY10. We will have spent \$3M of that cash reserve while remaining in positive territory.

Mr. Travous stated that staff do not know what they are doing in 2010 yet or what they're planning to do. However, staff have heard of them taking an additional \$12M. We have set aside, in suspended grants, \$6M. That adds up to \$18M. In going back to the first column on the chart – Cash Balance – the Heritage Fund is \$18M. His point is that the Board either does this or if they take those funds we are dead in the water. If we can make this simple and use the Heritage Fund and our revenues to get us through

until we are made whole, then we can limp back into the future. The trade-off will be if the Board trades off that \$6M in suspended grants, and then takes the other \$12M, we are done. That's where we stand right now.

Mr. Winkleman asked if the amount it takes to operate ASP in the next fiscal year is roughly \$23M.

Mr. Travous responded it is \$22M and change.

Mr. Winkleman asked how much of that is just operating parks and distributing grants next year.

Mr. Travous responded that it does not assume paying any grants next year. The \$22M is the agency's reduced operating cost. It assumes \$0 for grants, except for the Land Conservation grants because there is \$92M sitting there.

Mr. Landry asked if it is assumed that the Board will restore \$0 of the Heritage grants that were suspended to get through.

Mr. Travous responded that it assumes that the Board will not restore any of those suspended grants unless funding comes from Fund Group 2.

Mr. Landry responded that that assumes that the Board doesn't close any more parks. The trade-off staff are assuming is that the Heritage grants are less important than keeping every park open.

Mr. Travous agreed that that is an assumption. He noted that there are a lot of people in communities who are concerned about grants. You haven't seen anything yet when you start closing parks. It will pale in comparison.

Mr. Landry responded that perhaps that's what needs to be done. And that's what he wants to discuss. That is a public policy discussion this Board has to have. When it's appropriate, he wants to ask questions about specific parks.

Chairman Woodling noted that if the legislature sweeps \$12M followed by the Heritage Fund, this Board is obsolete. It means that this Board no longer exists; ASP no longer exists. ASP is pretty much out of business.

Mr. Travous responded that that's not quite the case. He suggested that the Board look back at the gray area on the chart. What he is saying is that if the legislature is going to take \$12M from the General Fund and the Reservation Surcharge Fund, and the State Lake Improvement Fund, and the Off-Highway Vehicle Fund, and the Land Conservation Fund's Admin Account, we can still do it. There is an economy of scale staff made here. One of the fears he has is that they cut the agency in such a way that we don't know we're bleeding and we end up dead in October. Staff have to simplify our finances enough to know when we're in peril. Our Administrative staff are taking funds from over here and move them over there. We need to pull some of those pieces out and put them together because we need to simplify it to know when we're in peril. We could be moving so many accounts around that we could not even know when we are not in compliance.

Mr. Landry noted that our Enhancement Fund is really our general operating account whereas there is a sole and separate Heritage grant. He asked if we are mixing words. The Board took \$6M in Heritage grants.

Mr. Travous responded that that money shows up in the \$18M.

Mr. Landry noted that those \$18M of "Heritage Funds" is really our general operating funds primarily for park operations.

Mr. Travous responded that we had a \$19M operating fund.

Mr. Landry stated that the Board really needs to make some of these decisions as a full Board and we'll be losing at least two Board members so he wants to ask the questions to get the information he wants for the next time this is discussed.

Mr. Landry stated that he has great concern and it is unacceptable to this one Board member that we are taking these grants and are making the choice to suspend these grants, regardless of the legal obligations of the commitments the Board made and the reliance people have made on them, to keep parks open. These choices are being forced on the Board not by its own fault – no one wants to close parks. But, perhaps everyone needs to see the consequences of the action and perhaps we shouldn't rob Peter to pay Paul. Maybe this Board should consider closing some parks. Previously staff have given the Board the net income of ASP. That's not the real issue. The real issue is what the Board's public policy is and what is the proper balance of what we do as a Board with the funds we have in the Heritage Funds. He does not accept the assumption that the Board take all the money from the Heritage Fund grants and keep all the parks open. If we have to close parks, then let those legislators in that district reopen them. He doesn't care if that means Slide Rock and Kartchner. He doesn't care if they make money. If they're going to bleed and hemorrhage this park system, then close those parks and let the people rise up and go to the decision makers and say this is unacceptable. Rather than killing and hemorrhaging the Town of Show Low because of the Board's action and hurting the Puppet Theater (he was part of the sweat equity crew when they got that building) the Board needs to make a decision. Nothing can be done today because the Board doesn't have enough information. At the last meeting the Board had to find \$XM to give to the legislature and the only way to do it was to take this \$6M from the Heritage Fund grants. That's what the Board was told and that's why they voted that way.

Mr. Landry stated that he wants to revisit this and if it takes a special Board meeting he is willing to commit the time. Of all the state budgets he's seen, this is the hardest budget to understand. He doesn't profess to understand it all yet, but he did compliment the staff for all the time they've given him to try to walk him through this maze of matrices and numbers. Before any action is taken on this today, he will ask questions. If the action is to accept this, he feels compelled to ask about every one of our 30 parks. If staff do not have the information here, then he recommends that the Board not take any action at this meeting.

Mr. Landry added that he does not accept the cancellation of \$6M of these grants. It can't be all or none. Maybe the Board will restore some. He commended Ms. Pulsifer for answering a lot of the questions.

Mr. Winkleman thanked Mr. Travous for taking a very complicated budget and trying to make it simple. He wanted to make sure he understands this. The Board will start out this coming fiscal year on July 1 with about \$20M in the bank. There will be about \$19M in revenues. We're going to spend about \$23M. So we're going to start out the

year with about \$20M and end the year with about \$3M less because our expenditures exceed our revenues. If all goes as planned, there will still be \$17M in the bank account at the end of the year. Therefore, there is \$20M in the bank to begin and \$17M still there at the end of the year. There is \$6M and change in grants that the Board is holding back. If they were all paid, there would still be more than \$10M at the end of FY 2010.

Mr. Travous responded that Mr. Winkleman is assuming that the legislature is not going to take any of that money.

Mr. Winkleman agreed, but added that right now the Board has money, can pay those grants, and still have a significant bank account left over.

Mr. Travous agreed, but added there are two things the Board needs to keep in mind. First, those revenues don't come in at the beginning of the year.

Mr. Winkleman stated he understands that. However, there's about \$17M left over at the end of next fiscal year. If the Board pays all the grants that were suspended, there's still \$11M left. It's suggested that the legislature might cut the agency by an additional \$12M which would take the bank account to \$0.

Mr. Ziemann added that the other assumption here is that we have a clause in the budget bill that is similar to the one that was in this year's that allows the Board to use these funds to backfill cuts and for operations. There is no guarantee that that language will be there, either.

Mr. Winkleman noted that the Board just had this discussion on whether to fund those suspended grants or close parks. It appears from the chart that there is a choice and that there is more money available to deal with. He's pleased to see that because he knows there are people here from Show Low and others who have projects that the Board may at least be able to do something for.

Mr. Travous responded that there could be that gap there. The Board needs to keep in mind

Mr. Landry interrupted to state that he has great trouble dealing with imaginary horrors based on rumors. There are ten different rumors on a budget they haven't even started drafting. We're dealing in imaginary horrors at the expense of many things. He is uncomfortable trying to second guess what they may or may not do. He expects that there will be a revenue deal cut that won't go to election, that is bi-partisan, and will get the $\frac{3}{4}$ votes. These reporters don't know what's going on and he's certainly not going to tell them.

Board Action

Mr. Landry: I move that the Arizona State Parks Board immediately restore all of the grants from 1%-90% complete and go through that money and move forward and if and if the legislature takes that money then this Board consider the actions at that time.

Mr. Landry stated that the Board is making it too easy for the legislature. The Board is making it too easy by saying by saying they will rape and kill every other program to keep parks open. He doesn't think the Board should make it that easy for the legislature. If they want to take all the Board's money, they need to have consequences, too.

Mr. Landry re-stated his motion as follows:

Mr. Landry: I move that the Arizona State Parks Board restore the \$6M for Heritage grants that the Board at it's last meeting, based on the information it had, suspended.

Mr. Landry stated he is making that motion because the dollars are here today and the Board is relying on potential rumors and not taking care of its people.

Mr. Colton seconded the motion for discussion. He noted that, number one, the Board has not heard from the public. Number two, he is not thrilled with the idea that if he were to vote against this motion he is somehow raping and killing. Third, the Board suspended these accounts; the Board has not killed these accounts. He is completely uncomfortable making a decision based on something that may or may not happen. We are in a suspense mode now and that's probably a safe place to be until such time as we do know more about the budget and not make a decision based anticipation of things going one way or the other.

Mr. Colton stated that, having said that, he withdrew his second of this motion.

Mr. Landry asked the Chairman to allow him to explain his motion.

Chairman Woodling responded that before he would allow that, he needed a second to the motion because the motion dies without a second.

Chairman Woodling asked three times if there is a second to the motion.

Mr. Scalzo seconded the motion for discussion purposes only because there has been no input from the public. He asked Mr. Landry to withdraw his motion and stated he would withdraw his second until the Board hears from the public.

Mr. Landry stated he would be willing to withdraw his motion until the Board hears from the public, but he is concerned that the Board will lose another member soon and the Board will stand at 5. It is unknown when the Board will get to the other Action Items. These are big decisions that the Board has to make. He suggested that the Board move to hearing from the public and, if need be, a special Board meeting be scheduled to decide this with all seven Board members present.

Mr. Winkleman left the Board meeting at 1:50 p.m.

Mr. Landry stated that he is prepared, after hearing from the public, to make a similar motion; he will tone his rhetoric down but will let the Board know how strongly he feels about some of this. Mr. Landry then withdrew his motion.

Chairman Woodling stated that there is consensus from the Board that they would like to hear from the public. He noted that he had 12-13 forms from people wishing to address the Board. He limited each speaker to 2 minutes.

Ms. Bonnie Bariola, National Trust for Historic Preservation, addressed the Board. She read a letter from Anthea Hartig, Director, National Trust for Historic Preservation, Western Office. "Dear Mr. Travous and Arizona State parks Boardmembers: On behalf of the National Trust for Historic Preservation, I am writing to express our deep disappointment with your recent decision to cancel or suspend \$11.7 million in Heritage Fund grants, and to recommend actions to restore these grants and help save Arizona's threatened heritage. On February 2, 2009, Anthony Veerkamp of my staff wrote a letter to you in which we underscored the need to protect funding for Heritage Fund projects

already underway, noting that any action that held up these grants could leave heritage resources extremely vulnerable to damage from weather or vandalism. Lamentably, our concerns and those of the Arizona heritage community went unheeded, and the impact of your decision to suspend \$11.7 million in Heritage Fund grants is already being felt in twenty-five communities around the state. The failure to uphold the State of Arizona's commitment to projects already contracted for and underway is having dire consequences not only for the historic resources that are the focus of these grant projects, but also to the heritage Fund grant recipients. These local project sponsors are a fundamental part of Arizona's historic preservation efforts, and many of them now find themselves in a precarious financial situation through no fault of their own. Before any further harm is done, we respectfully request that the following actions be taken: 1. The \$3 million in Fire Suppression Funds switched to the Land Department should be returned to Arizona State Parks and these funds should be directed to complete the "suspended" grant projects. 2. While there will not be an Arizona Heritage Fund grant cycle in 2009, there will be a \$10 million allotment from the Arizona Lottery to Arizona State Parks. That \$1 million can also be directed to the "suspended" grant projects. As we've stated (sic) previously, we recognize that the State of Arizona's budget crisis presents the Arizona State Parks Board with an unenviable task, but it is unfair to shift that burden to protect sponsors who have kept up their end of the deal. We believe it is absolutely essential to avoid squandering resources invested in Heritage Fund projects already underway. We remain your partners in the protection of Arizona's rich cultural heritage. Please contact me if you have any questions or believe we might be of assistance. Sincerely, Anthea Hartig, PhD, Director." She noted that, on a personal note, her husband volunteered one day a week at McFarland for eight years before it was closed. She is currently a member of HPAC and has served for several years on the ASCOT advisory committee. She also represents the Florence Preservation Foundation. Her pay for all of that has been exactly the same as the Board members receive. She thanked the Board for allowing her to speak.

Mr. Tom Hays, Chairman of the Benefactors of Red Rock State Park, addressed the Board. He stated that they have directed communication to their legislators in District 1. They know where action is required. The Sedona City Council asked him to drop off a Resolution they passed in support of Red Rock State Park urging the Board to consider not closing or reducing hours because of the impact of the park to the city. He provided the Board members with a letter detailing his comments. It includes one complaint, one suggestion, and one offer of help. The complaint is that the last time when Red Rock made the list of closures on Tier 3 it was because of the percentage of out-of-state visitors. He would like the Board to consider that parks drawing out-of-state visitors is NOT a negative thing. Tourism is a benefit to the economy. To put a park on that list because it generates visitors from out-of-state should be reconsidered. Secondly, it is clear to him that our complicated budget reporting system makes it extremely difficult for the Board members to make effective budget decisions. He suggested that staff separate the funding side of the ledger, the expense side of the ledger, and where all those details come from so the Board can make informed decisions. Lastly, as far as helping, as he mentioned at the last Board meeting, if private funding becomes required, Friends groups really need a structure that helps them apply funds parks can keep and not allow them to be swept. He asked that the Board help them find a way to do that. He stated that finally, the Benefactors and himself in

particular, are available to work on behalf of the Board on any governmental task force, including the Governor's Task Force. He thanked the Board for their time.

Mr. Scalzo suggested that the Benefactors could work with the State Parks Foundation as a holder of these funds. He added that he would hope the Benefactors would help in supporting HB 2088. The Board needs people in that District to help.

Mr. Hays responded that he will work to help on that. They have some resistance on it.

Mr. Alan Sorkowitz withdrew his request to speak.

Mr. Rick Fernau, Mayor of the City of Show Low addressed the Board. He was present to address their suspended grant. He noted that this is the only LRSP grant that was under construction. He distributed a packet to the Board that details their grant project. He noted that they were granted a SLIF grant in the amount of \$600,000 and that was also taken. He understands that the Board has to cut somewhere. They will give that up if they can have the other. They are concerned about their ability to go out and get competitive bids in the future if their contractors know that their contracts can just be cancelled. It costs everyone if this happens. They have erosion mitigation problems. He noted that they have a great partnership with ASP with Fools Hollow State Park in Show Low. They had 110,000 visitors last year. It's a great partnership and they appreciate what the Board is doing. They would appreciate the Board's reconsideration.

Lieutenant Alan Nelson, La Paz County Sheriff, addressed the Board. He made a correction to a comment Mr. Landry made earlier in the meeting. He is from La Paz County and not Mohave County. Secondly, he wrote a letter to the Board and spoke to the Board at their March 20 meeting. He will not reiterate that. It still applies. Cutting LEBSF funds will be a public safety issue and will cost people's lives. When law enforcement patrols are reduced people die. As a member of Arizona's recreational boaters community who registers his boat every year and buys hundreds of gallons of boat fuel each year, he is outraged that his money to Game and Fish for boating registration fees is going to the legislature and/or the Parks Board. The money he puts in there is for a specific purpose to assist in upkeep, enforcement, and facilities for Arizona's waterways. He thanked the Board for their time. He appreciates the LESBF being moved to Fund Group 2 for next year.

Mr. Bill Ensign, President of the Friends of Payson Parks and Recreation, addressed the Board. He thanked the Board for the opportunity to speak. Their task is to try to raise funds to try to keep programs going in Payson. As everyone knows, Payson is as much troubled as everyone else is. They are trying to raise money to keep their parks and recreation department open. For him to go out and try to raise money for Tonto would probably not go over very well. He promised that if Tonto stays open, he will do everything he can to get people to volunteer at the Bridge. He promised that he will work every weekend at the Bridge wherever he would be needed. He stated that they hope the Board will find a way to keep Tonto Natural Bridge open; it is so important to their community.

Mr. John Stanton, Rim Country Regional Chamber of Commerce, Payson, addressed the Board. He stated they represent Payson, Pine, Strawberry, Christopher Creek, and the Tonto Basin. They are very interested in reopening the Bridge in conjunction with the

Board, staff, and all of the people who are going to be involved. He stated that they have a slight problem that the Board needs to understand. There have been discussions about Slide Rock and Oracle. It was mentioned that both of those parks have seasons. The Bridge has a season, too. It's a lot cooler down there during the summers than it is here in Phoenix. That summer stops in October. Some of the dates that have been discussed will preclude opening the Bridge until that time. His job, representing the 400 members of the Rim Country Regional Chamber of Commerce is to try to get the Bridge open as soon as possible. It is their livelihood. The communities need that visitation to the park. Since the park was closed 37 days ago, they have had more than 400 inquiries, including from out-of-state. These communities need those people. Buses of 30 people from Germany come to the Rim Country. They need the Bridge open as soon as possible. He has been in the lodge and doesn't want it to fall down, but he believes they can work with the contractors to be able to have some access. He had photographs of what the entrance looks like. He also has a letter from the Vice Mayor that states the town will be willing to work with the Board in any way necessary. He noted, in closing, that the Board has a difficult job. He wouldn't want it for all the tea in China. He feels like he's in a tennis match with the Board on one side and the legislators on the other. They are doing their best to let the legislature know that they support HB 2088.

Mr. Travous noted that he is pleased that they support HB 2088. He stated that, frankly, he was disappointed with some of those legislators intimating that closing the Bridge was simply politics. If they are going to take \$34M away from this agency, it's time that they stand up and be honest with the public and say that they took that \$34M and it's going to hurt and stop trying to hide behind everyone else. He is getting tired of them saying the Board is doing this for political reasons. They took \$34M from us and it's time for the public to hold the legislature accountable and tell them not to just give their support but show us the money.

Mr. Stanton responded that he agrees with the Executive Director, but that many of those in the audience still feel like they're in a tennis match. They would very much like to have more input. They can't do much more than tell the legislators they want this park reopened.

Mr. Landry noted that, with all due respect, he has not seen 1,000 people from Mr. Stanton's area down at the legislature. Power is money and people. He suggested they bring everyone down to the legislature and let them know. There were 5,000 students on university cuts. Bring those people down and show the state how important this is. He would love to keep it open. He hopes there is a way to help the communities during the summer. They can be at the table if they demand to be at the table and bring people.

Mr. Stanton responded that in this case they brought the people up to them.

Mr. Landry responded that it didn't matter. They need to go to the legislature – there's 90 votes there.

Mr. Bill John, Friends of Oracle State Park, addressed the Board. He stated he came to this meeting to thank the Board for letting Oracle State Park open as long as they have. He noted that they only have four months to go since the last Board meeting in March. Revenue has increased from \$2,000 to almost \$28,000 since then. Visitation rose from

1,000 to 1,700 visitors. There is now a sign in place that says Oracle State Park turn right at next intersection. Last week his wife and others went to Catalina State Park, got permission, sat at the trailhead, and distributed pamphlets. About half of the visitors who came to Catalina did not even know that Oracle State Park exists. They are putting together a marketing plan for the park. If the Board will allow them to remain open long enough, they hope to have success from that project. Because Oracle doesn't have much of a summer, they could probably afford to close Mondays and Tuesdays; keep the park open five days; cut the number of rangers from four to three. They don't have a Park Manager. He suggested he could manage the park. He thanked the Board for hearing them today.

Janice Miano, Executive Director, AZ Heritage Alliance, addressed the Board. She stated that the Heritage Alliance's Mission is to protect the Heritage Fund. Their Board of Directors is very disappointed – no, angry – with what's happened to the \$11.7M of grants that were suspended. Since 1990 more than \$338.5M of Heritage Fund money has been invested in this state. These projects bring in tourism dollars as well as state parks do. She believes that the Board needs to show the grantees that they are committed to them and when the \$10M from the state lottery allotment is received this year, it needs to go directly to pay these grantees.

Ms. Marilyn Ruggles, Riordan Action Network, addressed the Board. She stated that she wrote her notes last night, but, in light of what the Chairman stated this morning, they are very relevant now. She is a dosient for Riordan Mansion State Historic Park and is a member of the newly-formed Riordan Action Network. This group is comprised of approximately 30 volunteers and interested members of the community who are dedicated to supporting the Mission of their state park and the state parks system. She could spend her allotted time standing here begging the Board to keep "her" state park open but everyone knows that keeping "all" state parks open would be ideal. She could expound on all the great things "her" park is doing. We all know that all of the state parks are doing wonderful things. She stated that she prefers spending her few moments with the Board thanking them for their service. She has served on state boards in the past and knows it can be a thankless job. The Board can never make everyone happy; they're lucky if they can make anyone happy. The purpose of their work is not to make anyone happy, but to make the best informed choices they can for the good of the system. With that in mind, Ms. Ruggles stated that she wanted the Board to remember to not base their decisions on just what is happening today, but to look past the present to the future. During the time of this economic crisis, the Board needs to remember that this, too, shall pass. We all want the state parks to be here when the crisis is over. The parks are like pieces of a puzzle. Without all the pieces, the system has holes and is not complete. The decisions the Board makes today and in the near future will have a large impact on the condition of our parks and whether or not our parks are even there for us when our economy is healthy again. She thanked the Board for their dedicated service. That being said, the Board's service is NOT a thankless job.

Eileen Gannon, Riordan Mansion family member, addressed the Board. She reiterated what the Board is doing; it's a horrible position to be in. She appreciates the fact that the Board is juggling, tugging, and pulling and reshuffling as much as they can to do what they can to keep parks open. She totally sympathizes with the grant projects.

That's a tough spot to be in. She stated that she will be joining Ms. Ruggles' groups and support them. She agrees that all of the state parks are very important. Unfortunately, Riordan State Historic Park has a reversion clause. She asked the Board to keep that in mind because it is an incredibly valuable asset to the state and to the public. She knows that the Board realizes that.

Ms. Elizabeth Stewart, former Parks Board member, addressed the Board. She stated that there's one thing that brings her down here today. While she would prefer enjoying the parks, whenever there is mention of park closures she feels she needs to express her feelings. She believes Ms. Ruggles' comments are appropriate – to look past the present to the future. She particularly wanted to address the historic parks – those without a recreational component. Every time there's discussions of closures, historic parks are at the top of the hit list. She believes there's a reason for that. She also believes that there are some defects in the agency's operating model. Since the last time she was here (March) she toured a number of museums in California State Parks. She noticed some differences. Her main point is that it's essential to keep all parks open all year long – even if it's only for two or three days a week. She advised the Board to never close any park. She believes that there are two problems with the present model that results in a financial deficit for historic parks. They are open 63 hours a week – 8:00 a.m. to 5:00 p.m. Monday through Sunday. She doesn't know about the rest of the people in the room, but she's never been to a museum at 8:00 a.m. on a Sunday. The second point is the focus on the out-of-town or out-of-state visitor. She believes both of those issues need to be changed or historic parks will always be at the top of the hit list. She noted that the Board discussed reducing days of operation. She thinks the Board should think about hours per week open. The hours they are open to the public should be less than the hours that the park staff is there so they have time to do some things that would increase visitation. If the park is open the exact hours the park staff are there and visitors are trickling in at different time, it's impossible for staff to do anything else. She also suggested shifting the focus from the one-time visitor and making those parks a center of history for the community. There needs to be a balance between the out-of-state visitor and the community. She suggested having the historic parks open one evening a week; having an after-school program to bring the youth in. At each of these meetings have park staff focus on one particular thing that is in the park collection that is unique or unusual. All of the people in the town have probably been to the park, but not all know the significance of these things. She suggested having a monthly speaker in the evening or perhaps a weekly event for school children.

Mr. Landry requested that before another Board member is lost, he wanted to make a motion of HB 2088.

Board Action

Mr. Landry: I move that the Arizona State Parks Board supports the concept of House Bill 2088 as long as it does the following: 1) that it would be a temporary taking of \$20M and that the voter protected funds that created this be extended to 2013 from 2011; that the \$20M of one year be mandated by a $\frac{3}{4}$ majority vote; that the bill specify that the money by the $\frac{3}{4}$ majority vote has to go back in 2011 and 2012; 2) that all \$20M be used for natural resources funding and that it not be used in other parks of the budget; 3) the Board requests staff, as agents of the Board, state this position to the

legislature and the Governor; and 4) this is not meant to be a precedent for any other voter protected act.

Mr. Cordasco seconded the motion.

Mr. Colton requested that "temporary allocation" replace "temporary taking".

Mr. Landry agreed to the substitute language. Mr. Cordasco, as the second to the motion, agreed to the substitute.

There being no further discussion, Chairman Woodling called for a vote on the motion on the floor. The motion carried unanimously with Mr. Winkleman being absent.

7. 2010 Trails Plan (Information Only) – Currently in Public Comment Phase.

Mr. Ream reported that the 2010 Trails Plan is in draft form available to the Board. It is on the agency's website. Staff are currently seeking public comment. The next time the Board sees this document, it will include public comment.

Chairman Woodling returned to Agenda Item E.6. at Mr. Landry's request.

6. Fiscal Year 2009 Arizona State Parks Budget Reduction Measures - Including but not limited to; Park closures, reduction of park hours/ days of operation, personnel actions, furloughs, reduced work schedules, hiring freezes, salary reductions, reductions in force for covered employees, layoffs for uncovered employees, reducing administrative expenses (Phoenix Office), suspension of grants and the legal ramifications, alternative funding including capital funds, Heritage Funds, Law Enforcement Boating Safety Fund, Off Highway Vehicle "sticker revenue".

Mr. Landry noted at the last Board meeting the Board discussed taking some of the Off-Road Vehicle Fund from Senate Bill 1167 which is estimated will be coming to this Board by June 30th in the amount of more than \$600,000. It was suggested that, if it is legal, the Board take a substantial portion of that money to be used for administrative cost to oversee that program to help the budget crisis. This issue was not addressed in the Director's report on the budget. He would like to know the status of that request. There appears, under the statute, to be some flexibility for the Board to administer the program. If true, in order to manage it the Board will need resources and the Board could take some of that money to pay for staff.

Ms. Westerhausen left the meeting at this point (2:32 p.m.).

Mr. Ziemann responded that there is an amount set aside for administration.

Mr. Landry stated that, even if there is an amount, he would like to explore having a discussion. He has subsequently met with the industry's folks who were present at the March Board meeting. He believes that their concerns have been alleviated somewhat. When the budget is discussed again, he would like to see that put in the mix. It could end up being six figures or more that could help the budget situation.

Chairman Woodling noted that Mr. Colton had a question on the Trails program. He returned to Agenda Item E.7.

7. 2010 Trails Plan (Information Only) – Currently in Public Comment Phase.

Mr. Colton stated that he had a couple of comments on this Agenda Item. Given the outline the Board received, he would like to know what the difference in priorities between this plan and the one from five years ago are or if the priorities are pretty much the same. In terms of focus, the way that the Table of Contents is organized there is nothing he could find relating to shared trails. He's not sure if there's an implementation element in there, although it may be buried somewhere. He can't find where connectivity with local and federal efforts throughout the state are covered. It's not that they're not in here, it may just be that they're not highlighted.

Mr. Ream responded that he would bring Mr. Colton's comments to the appropriate staff. This is exactly what this public comment phase is all about.

8. ADOT, State Park Roads Subprogram.

Mr. Ream reported that the Subprogram is exactly what ADOT calls it. Mr. Landry will offer some comments on this issue a bit later.

Mr. Ream reported that the Board receives between \$0 and \$5M for the last 25 years from ADOT. They are going through the same budget struggles we are. ASP has been receiving \$2M a year for roads inside state parks from ADOT. It's more than the \$2M. They provide the consultants, they provide the contractors, they perform the contract administration, and they do all the inspections. It's really a state roads project inside state parks that includes parking lots, campgrounds – anything that's pavement or roads and all the appurtenances as well. They utilize HURF funds for this work. The Board gets its money off the top before it gets divided up among MAG, PAG, and the other counties.

Mr. Ream reported that he was called before the ADOT Board last month. Board member Mr. Feldmeyer asked why they are subsidizing another state agency. Mr. Ream responded to him that we are partnering with another state agency – they are the “money” partner. Mr. Feldmeyer's response was that he would like a more formal partnership with ASP. He noted that he didn't have anything to offer ADOT. They have more people on furlough than the Board has in the entire agency. He offered to meet with ADOT staff. That meeting took place just the other day.

Mr. Ream stated that one of the things that needed to be addressed was is this partnership in a holistic fashion. This isn't paving of a parking lot. Once they pave the parking lot, our staff install the rest rooms, install picnic tables, and create the trails. The project itself is much bigger than just the parking lot or paving in the campground. ADOT may put in a million dollars' worth of road, but the Board puts an additional million dollars of facilities in. This is where the partnership comes because both agencies are out to benefit the citizens of Arizona. We have proposed this; they are working on it; and we would like to propose a Memorandum of Understanding (MOU) between ASP and ADOT. He will meet with them again in April. He brings this issue up so that our Board members can contact their board with the message that we are encouraged by their offer of a partnership, are willing to partner with them, we think we need more than four weeks to develop this partnership, and that we would like to continue the ADOT program and fund the parks as we have. He then named the ADOT Board members.

Mr. Landry stated that this history between ASP and ADOT began in 1985 as part of the freeway package. Mr. Ream is totally correct in that their pavement allows the agency to do its thing. It also made it possible to create Red Rock State Park because Mr. Denney wouldn't agree to the land trade unless the Red Rock Loop Road was paved. It was paved with ADOT money. He noted that partnership is simply this: for every dollar they spend about five times as much over time. Secondly, he believes that the Board should share with them the one-page document on economic impact of parks on visitors and money to the budget which more than returns the money they give us. He has just received a great one-page document from Tourism that he will share with Mr. Ream. He also asked that staff talk with council member Ms. Maria Baier who has offered assistance. She works closely with Mr. Feldmeyer. Ms. Baier, the former Advisor to the Governor's Office for Natural Resources, wants to help ASP. He requested that those Board members who know her request that she speak to Mr. Feldmeyer on ASP's behalf.

Mr. Landry thanked Mr. Ream for his hard work on this issue. This has been a very difficult task, but we need that \$2M.

F. BOARD ACTION ITEMS

1. **Fiscal Year 2009 Arizona State Parks Budget Reduction Measures** - Including but not limited to: Park closures, reduction of park hours/days of operation, personnel actions, furloughs, reduced work schedules, hiring freezes, salary reductions, reductions in force for covered employees, layoffs for uncovered employees, reducing administrative expenses (Phoenix Office), suspension of grants and the legal ramifications, alternative funding including capital funds, Heritage Funds, Law Enforcement Boating Safety Fund, Off Highway Vehicle "sticker revenue".

Chairman Woodling noted that one Board Action has been taken relating to F.1. (HB 2088). He asked if the Board wished to take any other action relating to this Agenda Item.

Mr. Colton noted that Ms. Westerhausen, who had to leave a little while ago, gave him a note for a possible Board Action that follows up on some of the comments the Board received and may be a way to deal with them.

Board Action

Mr. Colton: I move that the Arizona State Parks Board authorize the Executive Director to, appropriately to the Mission of each park, reduce hours or days of operation at Arizona State Parks.

Mr. Scalzo seconded that motion.

Mr. Landry asked to provide a substitute motion. He is fine with giving the Executive Director that authority; however, if staff are going to reduce hours of operation by more than 20%, he would prefer that staff come back to this Board because it could be very material. Perhaps 20% isn't the right number. There needs to be some check-and-balance by the Board.

Mr. Ream responded that he was using a 25% number. He has very little intention of closing parks more than 2 days a week. Regarding reducing hours, he hadn't spoken

with Ms. Stewart prior to this meeting, but she had some great thoughts and echoed some of the ideas he'd like to bring forward to the Board. This is not a budget saving measure. We are already saving this money just because our staffing level is down 26%. He stated that Operations staff can do anything. The problem is how long they can do anything. Rangers are like a Swiss Army knife. One can do anything with them, but one can only do it so long without retooling or sharpening.

Mr. Landry asked if 25% would be appropriate. He just wants some checks-and-balances to come back to the Board. He's very comfortable giving staff what they need.

Mr. Ream requested 2 days a week maximum.

Mr. Landry asked if 25% of current hours would work.

Mr. Colton, maker of the motion, stated he would accept Mr. Landry's additional language of up to 25% of current operating hours as a friendly amendment to his motion.

Mr. Colton restated his motion as follows:

Mr. Colton: I move that the Arizona State Parks Board authorize the Executive Director to appropriate reduce hours and/or days of operation at individual Arizona state parks up to 25% of the current operating hours at each appropriate park.

Mr. Scalzo seconded the amended motion.

Mr. Landry stated he would support the motion. However, he want to make sure everyone understands that this is not a mandate to change operating hours/days. This is giving staff discretion. The Board will trust their judgment. He requested staff to report back at the next Board meeting, and perhaps monthly, on what they are doing. He reiterated that it's not a mandate – it's flexibility.

Mr. Ream explained that staff hope to use this in off-season parks. It could be used at Riordan Mansion in December when everyone is coming to the park; it could be used at Tubac during the summer when people don't come because of the heat.

Chairman Woodling called for a vote on the motion on the Floor. The motion carried unanimously with Mr. Winkleman and Ms. Westerhausen being absent.

Mr. Landry stated he also had a motion to make regarding the budget. He will defer a more comprehensive motion and the Heritage motion he made earlier. He stated he hoped that it could be brought up at the Board's meeting later in April. He wanted to wait until there is a full Board present to vote on it. As much as he wants to make it today and as much he feels it's needed, out of respect for the two Board members who had to leave, he will wait to a later time. However, he does have a motion to make.

Mr. Landry noted that he was a member of the previous Parkland Foundation and signed the deeds that transferred Slide Rock to ASP.

Board Action

Mr. Landry: I move, because of our budget crisis, reluctantly but necessarily, that the Arizona State Parks Board, effective April 15, close Slide Rock State Park and reallocate those employees to other parks in the agency.

Mr. Landry stated that the reason he's making this motion (he loves Slide Rock and knows it's very important to tourism and the economy) is that he doesn't want more hemorrhaging and having to piecemeal unpopular or less known state parks. If the Board is going to close parks, then let's close. He is moving the closure, effective April 15, of Slide Rock State Park and that the staff be reallocated.

Chairman Woodling called for a second to the motion on the Floor three times. The motion died for lack of a second.

Mr. Landry noted that perhaps he should test the waters on the Heritage grants prior to making a motion. He asked if this is perhaps something that should wait for the entire Board to discuss.

The consensus of the Board was to wait until the full Board could participate in the discussion.

Mr. Scalzo noted that one of the issues the Board discussed in March was that it may be necessary to close other parks. He believes that that was what Mr. Scalzo was trying to get to. He also believes that it may happen sooner rather than the Board may want because of budgetary issues. He believes that when the Board next meets they need to take a look at the big picture. The big picture affects grants and state park closures. The Board needs to make some very tough decisions.

Mr. Travous suggested that, as the Board ponders these tough policies and decisions, they should go back and examine the Heritage Fund. There is a picture on his wall of himself and four others who put the Heritage Fund together. It was their idea and he worked hard on it. He has worked hard on the parks. Now we are having to decide which of our children we will feed. They are all his children. This is not a fun time for any of us.

Mr. Colton agreed that it is difficult. He stated at the March meeting that he did not believe that the Board was necessarily finished closing park. He appreciates the symbology that Mr. Landry has proposed in his motion. It would be a significant closure. However, if the Board is seriously talking about a situation where all parks, not just the ones that were in Tier 1, Tier 2, and Tier 3, then the notice ought to be to every one. He doesn't want to have to make a decision relative to Slide Rock and not have the City of Sedona show up en masse after the fact and the Board did not hear their comments. If the Board is going to close specific parks, he feels it should be done with proper public notice. He believes there is time through this Fiscal Year before the Board is forced into making that decision next Fiscal Year. He said it before, and he'll say it again, when the Board is making choices they are all tough choices and the Board may not be done closing parks.

Mr. Landry responded that Tiers 1, 2, and 3 were staff recommendations. This Board never voted on them. They are not official Board policy. Secondly, as a point of privilege, he would like anyone who wants a copy of the package the Board received to give their information to the Secretary so they can receive an e-mail copy of the Board Packet. He would like to have all materials the Board receives to be made available to the public at every meeting. He would like meetings to be transparent and copies of everything made public at the Board meetings.

Mr. Ream apologized to the Board for interrupting their current discussion. He just received an e-mail that 25% of operations is only 1.7 days per week. He requested the latitude to close parks two days a week.

Mr. Colton stated his acceptance of an amendment to his motion to change the figure of 25% to up to 2 days.

Board Action

Mr. Colton: I move that the Arizona State Parks Board reconsider the previous motion

Mr. Scalzo seconded the motion. The motion to reconsider carried unanimously.

Board Action

Mr. Colton: I move that the Arizona State Parks Board authorize the Executive Director to appropriately reduce hours and/or days of operation at individual Arizona state parks up to two days a week of the current operating hours at each appropriate park.

Mr. Scalzo seconded the motion and it carried unanimously, with Mr. Winkleman and Ms. Westerhausen absent.

2. The Board may decide to take action regarding hiring an Executive Director, including:

a. Interview Schedules

Subcommittee Scalzo reported that the Executive Director's Hiring Subcommittee recommends that the Board meet on April 23-24 for the purpose of interviewing final candidates for the position of Executive Director. He understands that this is probably Mr. Travous' last Board meeting. The Board needs to take action soon on this issue.

Mr. Cordasco added that he felt the Board should not move those dates since they already had them scheduled on their calendars.

Ms. Hachtel added that the Subcommittee will conduct their interviews on April 8th and April 14th to narrow the field.

Chairman Woodling stated that his concern was the amount of time between the Subcommittee's interviews and the 23rd and 24th.

Ms. Jeanette Hall, Chief, Human Resources, noted that the Subcommittee will conduct interviews on April 8th and 14th. They will present the final candidates to the Board as a whole. From the time they receive the Subcommittee's recommendation and the 23rd, the Board as a whole will need to determine whether or not to accept those candidates because they will be the final interviews to be conducted.

Chairman Woodling noted that two days were set aside for the interviews by the whole Board. He asked if the Board could meet on the 23rd to decide that issue.

Ms. Hall responded that the problem is that there needs to be enough time for the final candidates to be notified and scheduled. They have to be given a sufficient amount of time in order to be fair to them.

Chairman Woodling added that there will be a time issue bringing in out-of-state candidates and having enough time if the Board elects to have the candidates give presentations.

Mr. Colton suggested that if the Board is going to keep to the schedule – and he set those dates aside for this purpose – it would mean that on April 14, following the last interview, the selection committee needs to convene for as long as necessary to make a recommendation. If the Board needs input on the results of that, then the only way to do that is with a conference call Board meeting that happens the next day. Then there is ample time to make airline flights if necessary, or whatever else they need to do, to get here.

Chairman Woodling asked if the Subcommittee could report back to the Board as early as the evening of April 14.

Subcommittee Chairman Scalzo responded that the Board could convene late afternoon on April 14th for the Subcommittee's report and recommendations on who the Board should interview on April 23.

Ms. Hachtel stated that the Board would convene as Open Session and then go into Executive Session for the Subcommittee's report and recommendations.

Ms. Hall then continued her presentation. The Subcommittee will, after the final interview, discuss the candidates and select those whom they feel the Board as a whole should interview. The Chairmen and representatives from ADOA will formulate the formal interview process for April 23.

Subcommittee Chairman Scalzo suggested that could be part of the April 14 Board meeting.

Chairman Woodling noted that it is possible that the Board will ask a candidate to fly in for the initial interview and then again for the final interview.

Ms. Hall noted that she needed to clarify with Mr. Scalzo and Chairman Woodling what the role of Human Resources will be during the interviews.

Chairman Woodling responded that Ms. Hall should be there, Ms. Busser will be there to take Minutes, and Ms. Laurence from ADOA should be there.

Mr. Landry responded that this is a Board decision. He believes that only Board members should be there during the interviews. He believes someone should be there to take notes. He believes that the resources should be on call. He feels strongly about this. He has nothing against staff. He believes that the Board will have questions that they will follow with the same candidates. He is uncomfortable with having staff there, other than Ms. Busser to take notes.

Mr. Scalzo responded that he has always had Human Resources present during an interview process for his own protection.

Mr. Cordasco stated that he didn't have any concerns one way or the other. He just thought it would be more appropriate to have Human Resources there.

Mr. Landry stated he was withdrawing his comment.

Chairman Woodling asked if Ms. Hachtel would be there as well.

Ms. Hachtel responded that she would be available.

Board Action

Mr. Scalzo: I move that the Executive Director's Hiring Subcommittee will meet on April 8 and 14, 2009, to interview candidates and that late on April 14, 2009, the Subcommittee will make a report to the full Board and make a decision in regard to scheduling a meeting for April 23 for the full Parks Board to interview the final candidates and make a selection if appropriate.

Mr. Landry suggested that there may be a need for an addition to that motion that says that the Chairman and the Vice Chairman have the ability to finalize the questions for the full Board interview.

Ms. Hachtel stated that the Board can do that when the full Board meets on April 14.

Mr. Cordasco seconded the motion on the Floor as stated by Mr. Scalzo. The motion carried unanimously with Mr. Winkleman and Ms. Westerhausen absent.

b. Selection of Candidates

Included in previous discussion.

c. Interview Questions

- 3. Appointment of a member to State Park Natural Areas Program Advisory Committee-** Staff recommends the appointment of Thomas H. Skinner from Pima County to serve a two-year term beginning April 3, 2009 ending December 31, 2010.

Board Action

Mr. Scalzo: I move that Thomas H. Skinner be appointed to HPAC to serve a two-year term beginning April 3, 2009 and ending on December 31, 2010.

Mr. Colton seconded the motion and it carried unanimously with Mr. Winkleman and Ms. Westerhausen absent.

G. PRESENTATIONS

1. Recognition for Service

Mr. Travous presented a token of appreciation (an engraved box) from the ASP staff to Mr. Scalzo in recognition of his service as Chairman of the Arizona State Parks Board in 2008.

Mr. Travous presented a Lifetime Pass to Arizona State Parks to Mr. Cordasco who will be leaving the Parks Board when his successor, Mr. Walter Armer, is confirmed by the State Senate. He suggested that, in consideration of the current situation, Mr. Cordasco use it quickly. He also suggested that once they are both gone they go fishing and swap some stories.

Chairman Woodling noted that Mr. Cordasco's replacement, Mr. Armer, is a rancher from southern Arizona and is a previous Board member and chairman himself.

Mr. Travous added that Mr. Cordasco replaced Mr. Armer on this Board six years ago.

H. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS.

1. Staff recommends that the next regularly-scheduled Arizona State Parks Board Meeting be on May 15, 2009 at a place to be determined.

Mr. Ream noted that the next regularly scheduled meeting is for May 15 in the Verde Valley.

Chairman Woodling asked if the Board made any decisions earlier on to have all meetings in Phoenix because of the budget situation.

Mr. Colton responded affirmatively.

Chairman Woodling stated that the next regularly-scheduled meeting will be May 15, 2009 in Phoenix.

2. Board members may wish to discuss issues of interest to Arizona State Parks and request staff to place specific items on future Board meeting agendas.

Mr. Landry commended the Chairman on presiding over a very difficult meeting today. He requested that as soon as the Board's lawyers have talked with Show Low's lawyers and other lawyers on the contractor situation that item be scheduled for this Board even if it's part of the Board meetings being held through April. It is a unique item and he understands that the lawyers need to talk about the contractor and the contract. He stated he feels it has to be part of the Board meetings the Board is having regarding hiring a replacement for the Executive Director because he feels it is pressing and real.

Chairman Woodling asked if Mr. Landry is talking about April 14 or 23.

Mr. Landry responded that there was a contract awarded and that it is a difficult issue. He requested legal counsel to work with the Chairman and at the Chairman's discretion to set it as part of the Agenda as quickly as possible. He would hope that the Chairman would add it to the Agenda as a separate stand-alone item in addition to the interviews if it is timely.

Chairman Woodling noted that there will be a Board meeting on April 14th.

Mr. Landry suggested that on April 14, if the Board notices a second Executive Session item for legal advice, this could be added to Executive Session. Rather than taking action that day, the Board can at least be briefed and at the next full Board meeting on April 23 or 24, it could be noticed for potential Action and the public could attend. He stated that he could crowd 50 people into his conference room – not all would be able to sit. It would be a single item for Show Low because they are the ones who have the contract.

Mr. Cordasco suggested that the Board needs a meeting dealing with the global perspective of state parks. He doesn't think the Board can jump in on one topic and say they're going to vote one way or the other. The Board needs to have a clear understanding of the big picture. We may be getting the cart before the horse.

Mr. Landry responded that his two points were first, leaving it to the discretion of the Chair upon the advice of counsel and second, Show Low's is the only contract that has been awarded and under way on the Heritage grant. It is a unique item. There may be legal advice that the Board needs to do something and he wants the Chair to have the discretion to add it to an agenda or not.

Chairman Woodling noted that it was his understanding that projects that were in progress from 1% to 90% were suspended and that Show Low was just one of them. Show Low is unique because of their contract with the contractor.

Mr. Landry responded that that was how it was presented to him. He deferred to counsel.

Mr. Jason Mangum, Parks and Rec Director, Show Low, responded that they are the only one of the ten grants that were suspended that is in mid-stride on their project. They are the only one with shovels to the ground and a contractor on site. Right now their contractor is on full. He has contacted every single one of those other cities. He talked to the coordinators for those grants. Show Low is the only situation shovels are in the ground. That is why there are asking the Board to take action to rescind the suspension of their grant. They can't keep their contractor in suspense much longer.

Mr. Colton asked if that is true. The Board has suspended grants between 1% and 90% complete. He has to believe that someone in there is under completion if they're 72% complete.

Mr. Mangum corrected his statement. He is only speaking about the LRSP grants. He doesn't know about the Historic Preservation and Trails grants. Of the LRSP grants that were suspended, two others were under contract. One hasn't started construction yet and cancelled their contract and the other is a design/build for a pool and they have the design finished but haven't started construction of the pool.

Mr. Colton responded that he felt the question is whether the Board treat each differently and set up different rules for each grant. If that were the case, he suspects that there are grant situations under other grant programs that are in similar situations.

Chairman Woodling noted that the Board received a list of all of the grants that were suspended. In addition to LRSP grants, there are other Heritage grants from other areas, some of which have also been suspended.

A member of the audience stated she wanted to add to Mr. Mangum's comments. There are other Historic Preservation construction sites. There are churches without roofs on them and other buildings without their stabilization. He is correct in that they may be the only parks grant, but there are other grants under construction.

Chairman Woodling thanked her for confirming that for the Board.

Mr. Travous added that the Board has a lot of contracts that were suspended, every one of which has something unique about it.

Mr. Cordasco suggested that when this item is placed on an Agenda, the Board have a purpose discussion that allows the Board to have a full grasp of the parks and how they will handle parks over the next several years. He doesn't want to just take one item at a time and discuss it.

Mr. Scalzo added that the Board needs appropriate criteria in order to look at it all and not just criteria to look at one group of grants and not all the others. Staff will have to help the Board with that before the Board starts treating people differently. That's his only concern. Mr. Ziemann's staff has done a great job in the past in helping the Board with that. If the Board gets to the point which Mr. Landry has brought up, they can look at the criteria before them and make the proper decisions.

Mr. Mangum stated that if that process takes too long it will worsen their situation.

Mr. Scalzo responded that he did not think it would take too long.

Mr. Cordasco noted that Mr. Travous stated he has a 50/50 chance of being at the May 15 Board meeting. This may be the last time the Board sees him at a Parks Board meeting. He stated that Mr. Travous is just awesome and wonderful. For him, it's been a pleasure to be associated with Mr. Travous and be a part of all of this. In a nutshell, it's from his heart.

Chairman Woodling stated that he was Chairman of the Board in 1986 when that Board hired Mr. Travous. He cannot believe that he is Chairman of the Board 23 years later when he retires. He stated they have a connection. He wanted to say that Mr. Travous has been marvelous and taken ASP to a new level. He is sorry that Mr. Travous had to sit through all of these budget cuts and downed economy because he knows it's hurting him very deeply. He appreciates Mr. Travous very much.

Mr. Scalzo noted that he's worked with Mr. Travous longer than most of the other Board Members professionally. He sat on the AORCC Board with him; he sits on this Board with him. He retired before Mr. Travous and now he's catching up. The key thing about Mr. Travous is that he's greatly respected in the state by many people in the professionally, mostly because he's done things above and beyond the call of duty. For instance, the Open Space Law – if it weren't for ASP those conferences couldn't have happened. He brought together a lot of issues about heritage, growing smarter, and other legislative actions that brought money into the open space issue and the land preservation and construction. Those things are huge in this state. Nationally, he's been so involved in natural resources and state parks issues that it's beyond belief. Mr. Travous is a unique person and the Board is not going to be able to replace him.

Mr. Colton stated that, despite the fact that one of his first connections with Mr. Travous was when he criticized the heck out of a flowchart Mr. Colton presented that attempted to break down the silo between ASLD and ASP to get the Growing Smarter issues under way. He said the flowchart was the most incomprehensible thing he'd ever seen in his life. He has learned greatly from that. He stated that he is very honored to serve with the Board and is very specially honored to have had the opportunity to work with Mr. Travous in this capacity. He does consider it "working with" and very much appreciates.

Mr. Landry noted that an event is being planned to honor Mr. Travous. He doesn't remember what number he and Mr. Travous were crawling through Kartchner Caverns the first time. Wedging through that hole where, fortunately both were quite younger and could actually get through it, is a special experience that many people cannot share.

Mr. Travous noted that perhaps he should come back next month so the other two Board members can say nice things to him! He stated that public service is a wonderful thing. His staff have been just wonderful throughout the years. He noted that someone once told him that your boss is the person who comes to let you know you're fired. He thanked his staff for not firing him.

Chairman Woodling added that the Executive Director of Arizona State Parks serves at the pleasure of the Arizona State Parks Board. It is one of the few positions that is not

appointed by the Governor. The Governor appoints the Board, the Senate confirms the appointment. Mr. Travous has survived many, many Boards and seven Governors.

It was noted that the Board received copies of a Sprouts ad campaign.

Ms. Statler explained that the ASP Foundation is partnering with Sprouts in their first cause-related marketing campaign for a period of two weeks between April 8th and April 22nd to celebrate Earth Day and to salute ASP. The campaign is called, "Stand Up For State Parks". She encouraged the Board to go to a Sprouts and learn more about what's happening. Their foundation will use those funds to support ASP.

I. CALL TO THE PUBLIC

A member of the audience stated this is her second Board meeting and that she's been in the state for two months. She stated that one of her biggest frustrations is that we are not on the front page of the newspapers. There are so many problems financially in this state that it is very hard to get the public's attention. She believes that if every park were under consideration for closure, and if every grant was under consideration for restoration or suspension the public and the papers might decide that the State of Arizona and its parks are important. She did not move here for the golf; she did move here because of some of the best biodiversity in the country and that's competing with states with beach coastlines. We can't lose it. She asked the Board to please in this mode and make the public aware of the challenges.

Another member of the public addressed the Board. She stated that she's only known Mr. Travous for a few months, but feels like he's been a great friend to her. She thanked him. She thanked the Board for allowing her to speak for a moment. She invited everyone to attend the History of the Soldier that is going on now through Sunday at Fort Verde State Historic Park. It includes re-enactors representing the military from the Revolutionary War to the present day.

J. ADJOURNMENT

Mr. Colton made a motion to adjourn. Mr. Scalzo seconded the motion and it carried unanimously with Mr. Winkleman and Ms. Westerhausen absent. The Chairman Adjourned the meeting at 3:38 p.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the acting ADA Coordinator, Karen Farias, (602) 364-0632; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

Kenneth E. Travous, Executive Director

